Submitted via electronic mail to:
Methane Program Managers at GasSTAR@epa.gov

August 31, 2018

Methane Program Managers
Office of Atmospheric Programs,
Climate Change Division, (6207A)
Environmental Protection Agency
1200 Pennsylvania Ave. NW
Washington, DC 20460

Re: AGA Comments on EPA Natural Gas STAR Methane Challenge Program Continuous Improvement Proposal to Update Mains and Services Emission Factors, Dated August 13, 2018

Dear EPA Methane Program Managers:

The American Gas Association (AGA) submits these comments on behalf of our member companies who are participating in or are interested in joining the Voluntary Natural Gas STAR Methane Challenge Program. As AGA has said before, we believe this program is critical to help our member companies demonstrate their commitment and their progress in reducing methane emissions. We appreciate that EPA is now proposing to adopt new, updated emission factors for the voluntary Methane Challenge Program that are based on recent methane research such as the Washington State University (WSU) multi-city distribution peer-reviewed paper by Dr. Brian Lamb and that are already incorporated in EPA’s annual Greenhouse Gas Inventory (GHGI). We have requested this change in the past, and we support it now, with just a few suggestions as discussed below.

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There
are more than 74 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent — more than 70 million customers — receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies and industry associates. Today, natural gas meets more than one-fourth of the United States’ energy needs.

AGA and its members have long been committed to voluntary action to reduce natural gas emissions to improve the carbon footprint of delivered natural gas. Many AGA members have participated in EPA’s voluntary Natural Gas STAR program, and all 41 of the original founding partners of Methane Challenge are AGA member companies. Our members’ actions, both within and beyond EPA Natural Gas STAR, reduced methane emissions by 75% from the natural gas distribution sector from 1990 through 2016, based on the most recent EPA Inventory of Greenhouse Gas Emissions in the U.S. (GHGI) published April 13, 2018. Emissions from natural gas distribution are now down to less than 0.1% of annual production. Overall, the latest EPA GHGI shows emissions from the natural gas value chain from production to the power plant, industrial, commercial or residential customer declined by 16% over the same timeframe to just 1.2% of annual production. This is well below levels needed to demonstrate immediate climate and environmental benefits for switching from any other fossil fuel to affordable, cleaner, lower-carbon natural gas for generating electricity, powering cars, energizing industry, and heating homes and businesses.

The EPA GHGI helps to credibly demonstrate our progress on a nationwide basis and to inform a fact-based policy discussion. By using the same distribution pipe emission factors for Methane Challenge as EPA uses for the GHGI, the voluntary program will use the same, credible fact-based approach to show progress made by our individual member companies.

AGA generally supports the August 13, 2018 Continuous Improvement Proposal to update the methane emission factors for natural gas distribution mains and services to align with the Lamb study emission factors used in the annual GHGI. For many
companies, this will help them better demonstrate their progress in reducing methane emissions. However, we would appreciate some framing to better explain the changes.

First, the older emission factors are still used in company reporting under the mandatory Subpart W GHG Reporting Rule (40 C.F.R. Part 98, Subpart W). This could lead to some lack of consistency or confusion unless EPA explains this difference and notes that a longer notice and comment rulemaking process will be required to update the emission factors in the Subpart W rule.

Second, it may appear, erroneously, that some companies have an upward trend in emissions simply because the GHGI emission factor for protected steel is actually higher than the older emission factor. Confusion could be prevented among those reading the Methane Challenge results by noting that this does not indicate that actual emissions from a particular company’s protected steel pipes have increased year over year, and by making an appropriate change to carry a consistent emission factor through the relevant time series, as is done for the GHGI.

AGA appreciates the opportunity to comment. If you have any questions, please contact me.

Respectfully Submitted,

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